6293.0.00.004 - Occasional Paper: The Dynamics of Labour Market State and Benefit Receipt, 1997

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New study on labour market behaviour and government benefits

A new study by a researcher at Monash University has used Australian Bureau of Statistics (ABS) data to examine the factors that influence transitions between different labour market states (ie full-time employment, part-time employment, self-employment, unemployment and not in the labour force) and affect the duration of unemployment and employment.

The study by Guyonne Kalb uses data from the ABS Longitudinal Survey of Employment and Unemployment Patterns, which followed a group of respondents from September 1994 to September 1997.

Some of the main findings from the study are:

- Women who were out of the labour force were less likely to enter employment if their spouse receives government benefits. However, women already in work were no more likely to leave employment if their spouse received government benefits.
- Men who received benefits and were unemployed were more likely to end up in part-time work than men who received benefits and were not unemployed, or men who were unemployed and did not receive benefits.
- Men and women who were working and received government benefits were less likely to continue receiving benefits a year later than those who received benefits and were not working.
- Unemployment spells were longer for older people, those with poor English skills and those with lower levels of education and training. Also, a person's current unemployment spell would tend to be longer if their previous unemployment spells were longer.
- There was some evidence of "churning" in the labour market, ie some people experienced a persistent sequence of short employment and unemployment spells. In particular, those receiving unemployment benefits had shorter employment and unemployment spells than those receiving other benefits.

Details are in **The Dynamics of Labour Market State and Benefit Receipt** (cat. no. 6293.0.00.004), available from ABS bookshops. The views expressed in this Occasional Paper are those of the author and do not necessarily represent those of the ABS or Monash University.

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